

HOUSE BILL REPORT

HB 1219

As Reported by House Committee On:
Health Care

Title: An act relating to authorizing a prescription drug purchasing consortium.

Brief Description: Authorizing a prescription drug purchasing consortium.

Sponsors: Representatives Cody, Schual-Berke, Morrell, Kessler, Simpson, Campbell, P. Sullivan, Williams, Chase, Dickerson, Quall, Kenney, O'Brien, Clibborn, Conway, Green, Lantz, Sells, Kagi, Ormsby, Wallace, McIntire, Upthegrove, Hasegawa and Kilmer; by request of Governor Gregoire.

Brief History:

Committee Activity:

Health Care: 1/25/05, 2/1/05 [DPS].

Brief Summary of Substitute Bill

- Requires the Health Care Authority to establish a prescription drug purchasing consortium, which may include political subdivisions, private entities, labor organizations, and individuals.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Cody, Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Condotta, Hinkle and Skinner.

Staff: Dave Knutson (786-7146).

Background:

Agencies that administer state purchased health care programs participate in an evidence-based prescription drug purchasing program. Based on the findings of an independent pharmacy and therapeutics committee, a preferred drug list is established and negotiations with pharmaceutical manufacturers result in discounted prescription drug prices for state purchased health care programs. Only state agencies participate in the evidence-based prescription drug purchasing program.

Summary of Substitute Bill:

The administrator of the Health Care Authority will establish a prescription drug purchasing consortium. The consortium may include, on a voluntary basis, local government, private entities, labor organizations, and individuals without insurance, or who are underinsured for prescription drug coverage. The Health Care Authority will impose fees on participants to cover the administrative expense of operating the purchasing consortium. An 11 member advisory committee is created to provide input on the implementation of the purchasing consortium.

Substitute Bill Compared to Original Bill:

The definition of a state-purchased health care program is clarified. State agencies may opt out of the purchasing consortium if they can achieve greater savings in other ways.

Appropriation: None.**Fiscal Note:** Available.**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.**Testimony For:** Expanding the current drug purchasing program to others will result in greater savings on prescription drugs.**Testimony Against:** No state has successfully attempted this approach. Individuals without drug coverage can get free or reduced priced drugs from existing programs.**Persons Testifying:** (In support) Representative Cody, prime sponsor; Ree Sailors, Office of the Governor; Lauren Moughon, American Association of Retired Persons; Dr. Jeff Huebner, Washington Academy of Family Physicians; Eleanor Owen; Bruce Reeves, Senior Citizen Lobby; Michael Warren, Washington State Alliance for Retired Americans; Dr. Art Zoloth, Northwest Pharmacy Services; Bill Daley, Washington Citizen Action; and Robby Stern, Washington State Labor Council.

(Opposed) Cliff Webster, Pharmaceutical Research and Manufacturers of America; and Bob Miller, the Unique Company.

Persons Signed In To Testify But Not Testifying: None.